(c) whether these two multinationals have assured that they will lift large stocks of tobacco from Andhra Pradesh farmers;

(d) what are the full details of the terms of licence granted to such foreign tobacco companies;

(e) the structure of their companies proposed in India;

(f) whether they will locate their factories in Andhra Pradesh near the raw material; and

(g) the details of their location and production per year?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) to (g) Since the announcement of New Industrial Policy, only M|s. R. J. Reynolds Tobacco International, Switzerland have been given approval in April, 1993 for setting up a joint venture in India with 50 per cent foreign equity participation amounting to Rs. 23 crores for processing|blending of tobacco and manufacture of 5 billion cigarettes per annum, both for domestic sales and exports at a permissible location in India. The Indian partners of the project are Shri Mahendra K. Modi of M|s. Modi Enterprises and Shri Hemant Sonawala, Deputy Chairman, the Hinditron Group, Bombay. The approval given to the company is subject to the condition that it shall make maximum use of local tobacco. It has been noted that of the total estimated requirement over five years, only 6 per cent of the requirement of tobacco will be imported. The company has projected net tobacco exports of 10,800 tonnes valued US dollar 74 million over 5 years.

Financial assistance to Small Scale Industrial Units

8221. SHRI K. M. KHAN: Will the PRIME MINISTER be pleased to state:

(a) whether Small Scale Industrial Units of Himachal Pradesh have been provided financial assistance during the last year;

(b) if so the amount of assistance provided to each Unit alongwith the objectives of such assistance;

(c) whether Government proposed to provide similar financial assistance to Small Scale Units of Andhra Pradesh also; and

(d) if so, the details thereof and if not the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b) As per information received from the Planning Commission, financial assistance of Rs. 992 lakhs in the form of plan assistance was provided to Himachal Pradesh in the year 1994-95 for Village and Small Industries Sector (VSI). The assistance thus provided is for the promotion of the VSI Sector as a whole whereby the money is spent on the various developmental schemes. Assistance is not given to individual units though the units, if eligible, are free to avail of benefits under the schemes being implemnted.

(c) and (d) As in the case of Himachal Pradesh, similar assistance is given to all the States including Andhra Pradesh. The assistance is based on the proposals submitted by the State Government which in turn depends upon the total quantum of assistance fixed in the meeting of the Chief Minister with the Deputy Chairman of the Planning Commission. The assistance so decided for the village and small scale industries sector is for the implementation of the developmental schemes in the sector and assistance is not given to individual units.

Suit against IDBI by HEC officers

8222. SHRI VIRENDRA KATARIA: Will the PRIME MINISTER be pleased to state:

(a) whether Governments attention has been drawn to the news item pub.

lished in the 'Times of India' dated 10th May, 1995 under the caption "HEC officers plan suit against Industrial Development Bank of India";

(b) if so, what are the details and the reaction of Government thereto; and

(c) whether the Association has requested for the merger of the HEC with Steel Authority of India and if so, the action proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) Yes, Sir.

(b) As and when a suit is filed, necessary action will be taken.

(c) Representations have been received for the possible merger of HEC with SAIL. The proposal for the linkage of HEC with SAIL was taken up with the Ministry of Steel, whose response has not been favourable.

Increase in Price of Cement

8223. SHRI VIRENDRA KATARIA: Will the PRIME MINISTER be pleased to state:

(a) whether Government are aware that the rate of cement bags has increased from Rupees 100 to 150 per bag during the last four months; and

(b) if so, what are the reasons for the abnormal rise and what steps Government propose to take to bring down the price of cement in order to enable the low and middle income people to purchase cement for construction of their dwelling units?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) Government are aware that in the last 4 months the retail price per bag of 50 kgs. cement in different consumption centres has increased ranging between Rs. 10 and Rs. 20 on an average.

(b) The main reasons for the rise in price are seasonal increase in demand, temporary shortage in certain consumption centres caused by infrastuctural constraints, increase in input costs, preference of consumers for cement having better brand image even at a higher price, etc. Although the price and distribution of cement have been de-controlled, Government is closely monitoring the price behaviour. Government is also providing all infrastructural support for increasing production and supply of wagons on priority basis for transportation of cement from surplus to deficit areas in order to strengthen market forces and keep the prices under check.

Level Playing Field for Indian Companies

8224. SHRI SANATAN BISI: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Indian companies are denied equal level playing field as reported in "The Times of India" (Business Times Bureau), New Delhi dated the 8th May, 1995; and

(b) if so, what measures are being taken to wipe out this feeling in the liberalisation programmes?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRIMATI KRISHNA SAHI): (a) and (b) No such report in "The Times of India" (Business Times Bureau), New Delhi dated the 8th May, 1995 regarding denial of equal level playing field to the Indian compaines has come to the notice of Government. However, under the current economic reforms, various measures have already been taken to enable the domestic industry attain international competitiveness. Some of the measures taken by the Government, inter-alia, include reducting in excise duties, switchover to value added tax, levy of countervailing duty whevere required, reduction in corporate tax, etc.